the heavy provision under "Political" for War Publicity, National War Front, Air Raid Precaution, Defence Measures, Slit Trenches, etc.

The above narration may perhaps lead one to the misleading conclusion that the budget is a mere war-budget and that all nation-building activities have been stopped. As I have already pointed out, this is far from the truth. While straining every nerve to meet the war-situation to their fullest capacity, Government have also decided that their budget should be a "nation-building" budget as well. They are fully aware that it is essential that funds have to be built up for post-war reconstruction and hence they propose to augment their Revenue Reserve Fund by the transfer of Rs. 10 lakhs from the surplus of 1116. The irrigation activities of the Panchayats for which large grants are proposed and the Capital Schemes of irrigation and communication proposed by the Public Works Department are sure to increase the prosperity of the State in post-war years. "Education" gets a further allotment of Rs. 0·35 lakh more than the revised estimate of Rs. 20·14 lakhs. Larger provision is also made under "Medical" and "Ayurveda".

I shall now proceed to sketch in detail some of the important items that deserve notice in the budget estimates of 1118.

RECEIPTS

Compared with the revised estimate of receipts of the current year, *viz.*, Rs. 127·56 lakhs, the budget estimate anticipates a fall of Rs. 3·2 lakhs, while the expenditure is expected to exceed the revised estimate of Rs. 119·62 lakhs by Rs. 1·54 lakhs, with the result that the year is expected to close with a nominal surplus of only Rs. 3·20 lakhs.

The largest fall in receipts is that expected under Railway the estimate under which is fixed at Rs. 22 lakhs as against the revised estimate of Rs. 23·83 lakhs as a conservative and cautious estimate.

"Forests" comes next with an anticipated decline of Rs. 0·59 lakh from the revised estimate of Rs. 8·65 lakhs, since part of the increase in the revised estimate was due to the sale of trees uprooted by the cyclone of last year. Even then the sale of soft-wood is expected to give a large increase of revenue from "Forests".

The budget estimate under "Customs", fixed at Rs. 24·60 lakhs which is less than the revised estimate of the current year by Rs. 0·56 lakh, is based more or less on the realisations of 1941-42 at the Port.

Against these falls, we expect small increases under Land Revenue, Tobacco and Education, the reasons for which have been detailed in the Memorandum.

Income-tax is expected to keep up the same high return which the current year anticipates *viz.*, Rs. 13 lakhs.

DISBURSEMENTS

The demands of the several departments for the ensuing year have been carefully scrutinised both by the Government and your representatives in the Standing Finance Committee and the several grants have been fixed only after a full consideration of their actual requirements. As a measure of retrenchment, the scale of pay of the Joint Secretary to Government and of the Excise Commissioner has been or is proposed to be reduced from Rs. 450—600 to Rs. 350—500. All possible economy has been exercised in restricting the allotments for travelling allowance and contingent expenditure to the barest necessity. The building programme of the Public Works Department has been rigorously limited to the very essential requirements. Nevertheless, rural development has received special attention and the usual special contribution of Rs. 1 lakh has been raised to Rs. 2 lakhs of which Rs. 1·70 lakhs is reserved for the intensive improvement of irrigation works in all Village Panchayats, with a view to the development of agriculture. The balance of Rs. 0·30 lakh is proposed to be distributed for manure depots, rural libraries, sinking of wells, ayurveda and development of spinning.

The total thus provided for in the budget estimate for the next year is Rs. 121·16 lakhs, which is in excess of the revised estimate of the current year by Rs. 1·54 lakhs. I shall now proceed to deal with the more important items.

Most departments exhibit an increase owing to the provision for enhanced dearness allowance.

DEVELOPMENT AND NATION-BUILDING SERVICES

First of all I shall deal with the Development and Nation-building Services.

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